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August 10, 2005

MINNESOTA BULLETIN NO. 300-5-58

SUBJECT: LTP – CSP UPDATE AND INSTRUCTIONS FOR 2005 CSP PAYMENTS

ACTION DUE BY: Dates Listed

Purpose. To provide field staff with updates and instructions on 2005 Conservation Security Program (CSP) payments.

Expiration Date. September 30, 2005.

This bulletin provides key information about CSP activities for the next month in preparation for closing out the 2005 fiscal year contract obligations and payments. This information was developed by the National office and provides information on several important issues including: 1) current program update, 2) timeline to end of year, 3) contract modifications, 4) prorating B12 to C1 group, 5) enrollment category changes and 6) cost-share on new practices.

1. Update:

As of yesterday, August 9, 2005, we have been working on approving the CSP applications for more than two full weeks. That has resulted in over 5,000 contracts being developed and payments made electronically. Additionally, we have now moved into the application categories B1 – B11, field staff should immediately begin processing those contracts and making those payments.

2. Timeline:

There are actions items in this bulletin that need to occur within the month. By policy NHQ is supposed to give "States" a 30-day notice for action items. However, in this situation these actions need to occur within the next month to meet our fiscal responsibilities.

At the National Leadership Team meeting in Rochester, NY, an overall goal was set to have all CSP program payments completed by September 1. Completing the payments by this date will provide time to address specific contract payment problems and other significant issues. The current plan for CSP work in ProTracts has been to allow at least two weeks of dedicated time for each of the three groups of CSP applications that were approved for funding in 2005. Therefore, our basic schedule looks like this:

- **Category A1 to A12 – 2 weeks: July 25 to August 5**
- **Category B1 to B11 – 2 weeks: August 8 to August 19**
- **Category B12 to C1 – 2 weeks: August 22 to September 2**

In order to meet these due dates some counties may need to consider sending “certified” letters to participants that do not respond to requests to finalize contracts. If used, certified letters need to list specific dates when the participant needs to complete their contract or they will be removed from the program. Contact Leah Duzy if you determine a need to send certified producer letters.

3. Pro-rating Process for Category B12 – C1

Applications in categories B-12 to C-1 will be prorated; they will receive less than the full contract value in the first year. The prorating formula for the B12 to C1 group will be developed over the weekend of August 19th. **It is critical that the A1 to A12 group and the B1 to B12 group be completed by August 19th so that the balance of funds available for the final group pro-ratio can be determined.** Please be sure that you have approved and obligated all CSP contracts and the funds needed for categories A1 to B11 by August 19th and have completed as many actual payments as possible. Once the pro-ratio script is run on the final group of contracts in categories B12 to C1 it will not be possible to change the amount of funds available in any approved category – the funds will all be exhausted.

4. Modifications

Although it is possible to complete modification on the new 2005 contracts, we ask that you not add items or enhancements to the 2005 year that will increase the cost obligation. All situations that require a contract modification that will increase contract funding must be approved by Leah Duzy prior to initiating the modification. All modifications that result in an increase of more than 10% of the contract total must also be approved by the national CSP program manager.

5. Enrollment category errors

Several counties have asked about changes and fixes to enrollment category entries in ProTracts. Again, contact Leah Duzy prior to making any category changes. On August 16th the National office will run a one-time fix of these category error situations. This correction will be made on Wednesday, August 17th, and states will have 2-3 days to make the necessary changes in ProTracts and get the funds obligated. All category corrections need to be made before the final pro-ratio process on August 20, 2005.

6. Cost-share on new practices:

If you have any new practices in your 2005 contracts it is strongly recommended that you consider modifying the contract and moving that practice installation to 2006. All new practices need to be installed and certified by September 1, 2005; otherwise, these funds are lost when the payment process is locked for fiscal year 2005.

Direct questions on the information in this bulletin to Leah Duzy, CSP Coordinator.

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State Conservationist

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